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June 22, 2000

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JUN 23 AM 11:17
EXECUTIVE SECRETARY

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Nashville Gas Company, Docket No. 99-00207

Dear Mr. Waddell:

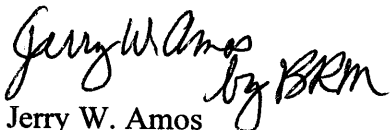
In accordance with the reporting provisions of Service Schedule No. 14, Performance Incentive Plan, as approved in the above captioned docket, Nashville Gas Company ("Nashville") submits the accompanying quarterly report of shared gas cost savings for the period ended April 30, 2000.

As explained in the two previous filings, this report reflects a lump-sum payment of \$1,650,000 on June 30, 2000, from Dynegy, Inc. made in compliance with the terms of the asset management agreement between Dynegy and Piedmont Natural Gas. As reflected on the enclosed summary, the Company achieved total gains and savings, including the Dynegy payment, of \$2,130,949 for this reporting period. Under the Plan's sharing formulas, \$1,217,153 will be allocated to the Company's ratepayers. The remaining \$913,796 of the gains and savings are to be credited to the Company's Incentive Plan Account.

Detailed calculations supporting the amounts shown on the summary are provided in this filing subject to the execution of the enclosed non-disclosure agreement.

I am enclosing one additional copy of the summary that I would appreciate your stamping "filed" and returning to me in the enclosed envelope.

Sincerely,


Jerry W. Amos

JWA/lh

Enclosures

c: Vincent Williams, Consumer Advocate
Michael Horne, Tennessee Regulatory Authority

Report on Nashville Incentive Plan July 1999 - June 2000

Month	Year	Gas Procurement		Nashville		Ratepayer		Capacity		Nashville		Ratepayer		Total		Total	
		Incentive	Mechanism	GPI	Sharing	GPI	Sharing	Management	Incentive	CMI	Sharing	CMI	Sharing	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)
		Gain/(Loss) 1/		Gain/(Loss) 2/		Gain/(Loss)		Gain/(Loss)		Gain/(Loss) 3/		Gain/(Loss) 3/		Gain/(Loss)		Gain/(Loss)	
July	1999	\$ (259)		\$ -		\$ (259)		\$ -		\$ -		\$ -		\$ (259)		\$ -	
August	1999	\$ 240,030		\$ 110,527		\$ 129,502		\$ -		\$ -		\$ -		\$ 240,030		\$ 110,527	
September	1999	\$ (1,321)		\$ -		\$ (1,321)		\$ -		\$ -		\$ -		\$ (1,321)		\$ -	
October	1999	\$ 5,374		\$ -		\$ 5,374		\$ -		\$ -		\$ -		\$ (1,321)		\$ -	
November	1999	\$ 2,867		\$ -		\$ 2,867		\$ 22,404		\$ -		\$ 22,404		\$ 27,779		\$ -	
December	1999	\$ (1,220)		\$ -		\$ (1,220)		\$ -		\$ -		\$ -		\$ 2,867		\$ -	
January	2000	\$ (5,386)		\$ -		\$ (5,386)		\$ 19,851		\$ -		\$ 19,851		\$ 18,631		\$ -	
February	2000	\$ (4,431)		\$ -		\$ (4,431)		\$ 553		\$ -		\$ -		\$ (5,386)		\$ -	
March	2000	\$ (2,927)		\$ -		\$ (2,927)		\$ 202,919		\$ -		\$ 553		\$ (3,878)		\$ -	
April	2000	\$ 2,495		\$ -		\$ 2,495		\$ -		\$ 11,999		\$ 190,920		\$ 199,992		\$ 11,999	
May	2000	\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ 2,495		\$ -	
June	2000	\$ -		\$ -		\$ -		\$ 1,650,000		\$ 791,269		\$ 858,731		\$ -		\$ -	
		\$ 235,222		\$ 110,527		\$ 124,694		\$ 1,895,727		\$ 803,269		\$ 1,092,459		\$ 2,130,949		\$ 913,796	
																\$ 1,217,153	

1/ The monthly gain or loss set forth in this column reflects total gains or losses calculated under the gas procurement mechanism, including gains or losses within the one percent deadband.

2/ Nashville GPI sharing reflects 50% of gains or losses calculated under the gas procurement mechanism after application of the one percent monthly deadband.

3/ Nashville sharing percentages range from 0% (up to 1% of annual demand savings), to 10% (1% - 2% savings), to 25% (2% - 3% savings), and to 50% (> 3% savings). Total capacity demand costs for the period are based on estimated annual costs for the plan year. These sharing amounts shall be adjusted based on the actual demand costs incurred, taking into account refunds or surcharges from pipeline and storage supplies. (See Service Schedule No. 14, page 5)

NON-DISCLOSURE AGREEMENT

Whereas, Nashville Gas Company (Nashville) has filed with the Tennessee Regulatory Authority (TRA) in Docket No. 99-00207 a summary of its shared gas cost savings for the period February 1, 2000 through April 30, 2000; and

WHEREAS, the TRA Staff, the Consumer Advocate of the State of Tennessee (Consumer Advocate) supporting calculations for the summary information (Supporting Calculations); and

WHEREAS, Nashville believes that the disclosure of the Supporting Calculations to the public or to certain members of the public could adversely affect Nashville s ability to obtain favorable terms in future negotiations for gas supply; and

WHEREAS, Nashville has agreed to make the Supporting Calculations available to employees of the TRA Staff and employees of the Consumer Advocate (collectively Authorized Agencies) on the condition that such persons execute this Non-Disclosure Agreement;

NOW, THEREFORE, the undersigned person agrees as follows:

1. The undersigned person is an employee of one of the Authorized Agencies and desires to review the Supporting Calculations solely for the purpose of reviewing Nashville s compliance with the TRA s orders in Docket No. 99-00207; and
2. The undersigned person will keep the Supporting Calculations in a secure place and will not permit them to be seen by any person who is not an employee of one of the Authorized Agencies who has executed a Non-Disclosure Agreement indicating his or her intent to comply with the terms hereof.
3. The undersigned person agrees that prior to the entry of an appropriate protective order he or she will not disclose any information obtained from reviewing the Supporting Calculations orally or in writing to any other person other than another employee of one of the Authorized Agencies who has executed a Non-Disclosure

Agreement and that upon the entry of an appropriate protective order he or she will comply with the terms thereof.

4. The undersigned person will not make copies of the Supporting Information or any portion thereof; however, the undersigned person may take notes on the Supporting Information in which event all such notes shall be subject to the terms of this Non-Disclosure Agreement.

Signature _____

Date _____